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TRADE AND DEVELOPMENT BOARD

REPORT OF THE FIRST MEETING OF THE MID-TERM REVIEW PROCESS

Geneva, 28 January - 1 February 2002

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INTRODUCTION

Opening statements

1. The **President of the Board** recalled that, at its forty-eighth session, the Board had approved the basic modalities for the Mid-term Review process, and it had established three pillars, namely: (i) a review of the efficiency and functioning of the intergovernmental machinery; (ii) stocktaking in respect of the implementation of the commitments and work programme agreed to in the Bangkok Plan of Action (TD/386); and (iii) interactive debates and policy dialogue in the context of opportunities and challenges of new policy developments of importance since UNCTAD X.

2. The Board had further agreed that three Vice-Presidents would assist in the preparatory work for the Mid-term Review, as follows: on the intergovernmental machinery – Mr. Federico Alberto Cuello Camilo (Dominican Republic); on the stocktaking of the implementation of the work programme based on indicators of achievements – Mrs. Eleanor M. Fuller (United Kingdom); on the interactive debates and policy dialogue in the context of opportunities and challenges of new policy developments of importance since UNCTAD X – Mr. Virasakdi Futrakul (Thailand). It was decided that the two Vice-Presidents in charge of the intergovernmental machinery and stocktaking would make every effort to conclude their work prior to the Mid-term Review in Bangkok.

3. The **Secretary-General of UNCTAD** thanked the Government and people of Thailand for their generous offer to host the mid-term review and for their continued commitment to UNCTAD. The inauguration of the International Institute for Trade and Development in Bangkok at the time of the Mid-term Review meeting represented a concrete outcome of UNCTAD X.

4. The Mid-term Review would provide an opportunity to take stock of what had been achieved since UNCTAD X, to look at the present situation and to determine what adjustments might be needed in the light of new developments. The goal was not to question what had been agreed at UNCTAD X, since nothing had happened since then that would justify profound changes, nor was the goal to prepare for UNCTAD XI.

5. The work of UNCTAD was particularly affected by the economic environment in which development took place. Since UNCTAD X, conjunctural changes had occurred, both positive and negative. The United States had gone into recession, and other major industrial economies were facing difficulties too. However, it could be hoped that the recession would not be too deep or long-lasting, and some signs of recovery could be detected. The introduction of the euro represented an historic event which would affect the monetary structure of the world. At the same time, developments such as those in Argentina could only be a matter of serious concern, and stood as a reminder of the constant challenges facing development in an increasingly complex world.

6. Factors affecting the work of UNCTAD at another level included the Doha WTO Ministerial Meeting. The broad negotiations launched at Doha and the introduction of the

development dimension into those negotiations would impact the work of UNCTAD, which would have to see how best to meet the challenge of helping countries benefit from those multilateral negotiations. The secretariat had already set up an internal task force, which had almost finalized a demand-driven comprehensive programme of assistance for delegations participating in the negotiations. Other events that would have a significant impact on UNCTAD's work included the Third United Nations Conference on the Least Developed Countries, the international conference on Financing for Development, and the Conference on Sustainable Development.

7. Trade negotiations were a necessary but not sufficient condition for development. Such negotiations created opportunities, but to take advantage of these opportunities, each country had to build up its own productive capacity, diversify and become competitive. Related actions covered in the Bangkok Plan of Action included strengthening the productive sector, improving the capacity to generate savings and attract investment, developing the enterprise sector, building synergies between national suppliers and transnational corporations, and generating the conditions required to improve the use of technology. Such actions had to be taken in parallel with trade negotiations, not afterwards.

8. In conclusion, he re-emphasized that the Mid-term Review should be used to see how the Bangkok Plan of Action should be focused in the light of events and constraints and to set priorities.

9. The representative of **Thailand**, speaking on behalf of the **Group of 77 and China**, said that the Mid-term Review was an exercise of great importance, and its success would set the stage for UNCTAD XI. The Mid-term Review was taking place at a critical time, since the global economy was beset by the worst global deflation for half a century, and the developing countries were being badly affected. The Mid-term Review represented a good opportunity to exchange views on what had been done and what remained to be done with regard to the implementation of the Bangkok Plan of Action, as well as on how developed and developing countries could work together in order to navigate through these turbulent times. The Group of 77 and China would work actively for the success of the Mid-term Review.

10. The representative of **Bangladesh**, speaking on behalf of the **least developed countries**, said that, since UNCTAD X, there had been a number of major developments that had affected LDCs and that generated specific duties for UNCTAD. LDCs should therefore remain at the centre of UNCTAD's work programmes. In particular, UNCTAD should continue to translate into action the Programme of Action for the LDCs adopted at Brussels. The creation of the High Representative for LDCs, Land-locked Developing Countries and Small Island Developing States had not changed the mandate of UNCTAD concerning substantive support for LDCs, and indeed the General Assembly had called for UNCTAD to be strengthened.

11. The Brussels Programme of Action invited the Board to consider converting its Sessional Committee on LDCs into a Standing Committee. In its decision 467(XLVIII), the Board had decided to begin consultations on that matter in the context of its examination of

the intergovernmental machinery. The proposal to establish a Standing Committee was independent of the recommendation in paragraph 116 of the Programme of Action, and it was hoped that the issue would be suitably addressed at the current meeting.

12. The Trust Fund for LDCs was a welcome initiative, but contributions remained unsatisfactory. UNCTAD should redouble its fund-raising efforts in that regard. The Commission on Investment, Technology and Related Financial Issues and WAIPA had stressed the importance of human resource development in LDCs, and it was hoped that that would be reflected in the delivery of UNCTAD's technical assistance programme. The Bangkok Plan of Action had called upon UNCTAD to prepare an integrated programme of technical assistance for LDCs, and it was hoped that the assessment of resource requirements would be completed soon.

13. UNCTAD's expert meetings contributed to policy analysis and decision-making in LDCs, but lack of funds limited LDC experts' participation, and if those experts could not attend, the meetings' recommendations might not be very relevant for LDCs. There was also a gap between expert meeting recommendations and Commission decisions. It was hoped that those matters could be resolved.

14. The external environment facing the LDCs remained as unfavourable as ever, and the LDCs development partners needed to take a more proactive role in improving that environment. It was hoped that the Mid-term Review would take the concerns of LDCs on board.

15. The representative of **Spain**, speaking on behalf of the **European Union**, said it was hoped that, as a result of the Mid-term Review, UNCTAD would be strengthened in order to make it more effective in carrying out its mandate. The Mid-term Review must be seen in the context of recent developments, in particular the Third United Nations Conference on LDCs and the WTO Ministerial Meeting in Doha. The latter had thrown down an important challenge for UNCTAD, since it had been the first WTO Ministerial Meeting to incorporate the development dimension, with specific references to UNCTAD. With regard to the review of the intergovernmental machinery, the latter could function better, and an in-depth examination of its workings was necessary. Any reform of the machinery should not increase the number of intergovernmental meetings. Concerning the stocktaking exercise, the aim was not to renegotiate the Bangkok Programme of Action but to try to implement it as effectively as possible. The three pillars of the Mid-term Review process were interconnected and should therefore be dealt with jointly. Finally, he thanked the Government of Thailand for hosting the Mid-term Review.

16. The representative of **Norway** said that the Mid-term Review represented a good opportunity to take stock of what had been achieved and to see how to respond to new challenges. The goal was not to renegotiate the outcome of UNCTAD X, but to take account of new developments such as the Third United Nations Conference on the LDCs, the WTO Ministerial Meeting in Doha, the Financing for Development Conference, and the Sustainable Development Conference. It was hoped that the Mid-term Review would provide general orientations on how to focus future work, and that implied priority-setting and rationalization.

UNCTAD's comparative advantages would be of great importance in that connection. With regard to the review of the intergovernmental machinery, it would be important to try to improve the expert meetings, to take a close look at the Commissions and to enhance the work of the Board. In conclusion, he thanked Thailand for offering to host the Mid-term Review.

17. The representative of **Uganda**, speaking on behalf of the **African Group**, said that, with respect to the intergovernmental machinery, the goal should be not to engage in a major overhaul but to improve its functioning. With regard to the stocktaking exercise, there should be no attempt to renegotiate the Bangkok Plan of Action. Two particular questions that would have to be tackled and resolved concerned predictable funding for the participation of developing country experts in UNCTAD expert meetings and the implementation of paragraph 166 of the Bangkok Plan of Action.

18. The intergovernmental machinery of UNCTAD must be able to react to recent events, but care must be taken not to divert it from its core mandates. Concerning the issue of the Board's Sessional Committee on LDCs, he called for its conversion into a Standing Committee. The new Office of the High Representative for LDCs, Land-locked Developing Countries and Small Island Developing States had its own mandate and did not duplicate UNCTAD's LDC work, and the Programme of Action for the LDCs must be mainstreamed into that work. Finally, he thanked Thailand for hosting the Mid-term Review.

Chapter I

REVIEW OF THE EFFICIENCY AND FUNCTIONING OF THE INTERGOVERNMENTAL MACHINERY

(Agenda item 3)

19. The representative of the **Dominican Republic**, speaking in his capacity as Chairperson for the pillar of the Mid-term Review on the intergovernmental machinery, said that it was important to make UNCTAD capable of responding to change. With regard to the review of the intergovernmental machinery, he had held informal consultations with all regional groups in December and January, and as a result of those consultations he had tabled an informal paper as a basis for the discussions at the first meeting of the Mid-term Review process.

Informal meetings

20. The review was pursued in informal meetings.

Closing plenary

21. The representative of the **Dominican Republic**, speaking in his capacity as Chairperson for the pillar of the Mid-term Review on the intergovernmental machinery, said that his initial informal paper had been extensively revised, and a new draft dated 29 January was now on the table. Two problems had emerged as being of decisive importance. The first was the issue of financing of experts, which was under consideration in the Working Party on the Medium-term Plan and the Programme Budget and which would affect the future effectiveness of expert meetings. The second related to the establishment in New York of the Office of the High Representative for Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, which would affect the work of the Trade and Development Board and the efficacy of capacity-building work.

22. The **President** said it was assumed that informal consultations would continue in preparation for the second meeting of the Mid-term Review process.

Chapter II

STOCKTAKING IN RESPECT OF THE IMPLEMENTATION OF THE COMMITMENTS AND WORK PROGRAMME AGREED TO IN THE BANGKOK PLAN OF ACTION

23. The representative of the **United Kingdom**, speaking in her capacity as Chairperson for the pillar of the Mid-term Review on stocktaking, said that the preparatory work for the stocktaking exercise had been done by the secretariat, which had produced a programme assessment for 2000-2001 (TD/B(S-XIX)/L.1). Work on stocktaking would begin with general statements, after which activities would be reviewed on a subprogramme-by-subprogramme basis. The aim would be to look at what had been done, determine what still needed to be done, and draw lessons from the past period with a view to enhancing delivery.

Informal meetings

24. The stocktaking exercise was pursued in informal meetings.

Closing plenary

25. The representative of the **United Kingdom**, speaking in her capacity as Chairperson for the pillar of the Mid-Term Review on stocktaking, said that, in the course of the first meeting, it had been possible to cover two subprogrammes, as well as the issue of the implementation of paragraph 166 of the Bangkok Plan of Action. The secretariat was preparing summaries of the discussions, which would be the subject of consultations prior to the second meeting. With regard to the readership survey circulated by the secretariat (UNCTAD/EDM/Misc.201), in view of the small number of respondents, the survey could not be regarded as representative, and member States were requested to reply to the questionnaire before the second meeting.

Chapter III

PREPARATIONS FOR THE INTERACTIVE DEBATES AND POLICY DIALOGUE IN THE CONTEXT OF OPPORTUNITIES AND CHALLENGES OF NEW POLICY DEVELOPMENTS OF IMPORTANCE SINCE UNCTAD X

(Agenda item 4)

26. The representative of **Thailand**, speaking in his capacity as Chairperson for the pillar of the Mid-term Review on the interactive debates and policy dialogue, briefed the meeting on various organizational aspects of the Mid-term Review in Bangkok and on the related preparations by the host country. He also circulated an informal paper containing the provisional programme for the Review and annotations for the interactive debates.

27. The Review would take place from Tuesday, 30 April, to Thursday, 2 May. The basic elements of the programme would include the opening of the thirty-ninth special session of the Board, an inaugural ceremony for the Review, two interactive debates, and the closing session of the special session. The first interactive debate would relate to economic policy challenges that had arisen since UNCTAD X, and the second would focus on development challenges of the future in the context of globalization.

28. On Wednesday, 29 April, delegates attending the special session would be invited to attend the inauguration of the International Institute for Trade and Development in Chulalongkorn University.

Chapter IV

CLOSING STATEMENTS

29. The representative of **Paraguay**, speaking on behalf of the **Latin American and Caribbean Group**, said that the aim of the Mid-term Review was to evaluate problems that had arisen in the implementation of the Bangkok Plan of Action and see how to improve UNCTAD's effectiveness in the future. However, 'improving effectiveness' did not mean making financial cuts and doing more with less, but rather responding to new challenges through innovative and practical initiatives. The Bangkok Plan of Action embodied such initiatives, and should therefore be implemented in full.

30. The developing countries were embarking on a series of negotiations in various fields, and would have difficulty in identifying their priorities and implementing their development policies. They therefore needed UNCTAD's support, which could only be negatively affected by resource cuts.

31. With regard to the intergovernmental machinery, strengthening the machinery would improve the quality of its recommendations and conclusions. Enhancing links between UNCTAD intergovernmental bodies and other intergovernmental bodies should be a priority. Concerning the stocktaking exercise, it was clear that much remained to be done in implementing the Bangkok Plan of Action. It would be important to ensure that decisions taken in one United Nations forum were not negatively affected or delayed when taken up in other United Nations fora. There must be coherence between policies and budgets right up until final adoption. With respect to the pillar on policy dialogue in the context of new policy developments, the results of the Doha WTO Ministerial Conference represented an important parameter in defining the future work of UNCTAD. In addition, the Financing for Development Conference in Monterrey would set the priorities for international financing and cooperation bodies.

32. Finally, it was important that the development dimension of UNCTAD's work not be lost sight of in any discussions or negotiations.

Chapter V

ORGANIZATIONAL MATTERS

A. Opening of the session

33. The first meeting of the Mid-term Review process was opened on 28 January 2002 by Mr. Ali Said Mchumo (United Republic of Tanzania), President of the Board.

B. Officers

34. The officers of the Board were as elected at the forty-eighth session of the Board, as follows:

President:	Mr. Ali Said Mchumo (United Republic of Tanzania)
Vice-Presidents:	Mr. Iouri Afanassiev (Russian Federation) Mr. Toufik Ali (Bangladesh) Mr. Federico Alberto Cuello Camilo (Dominican Republic) Mr. Douglas M. Griffiths (United States of America) Mrs. Eleanor M. Fuller (United Kingdom of Great Britain and Northern Ireland) Mr. Virasakdi Futrakul (Thailand) Mr. Nathan Irumba (Uganda) Mr. Toshiyuki Iwado (Japan) Mr. Kalman Petocz (Slovakia) Mr. Jacques Scavee (Belgium)
Rapporteur:	Mr. Federico Perazza Scapino (Uruguay)

C. Adoption of the agenda and organization of the work of the session

35. At the opening meeting, the provisional agenda as contained in document TD/B(S-XIX)/PREP/1 was adopted, as follows:

1. Adoption of the agenda and organization of work

2. Review of the efficiency and functioning of the intergovernmental machinery

3. Stocktaking in respect of the implementation of the commitments and work programme agreed to in the Bangkok Plan of Action

4. Preparations for the interactive debates and policy dialogue in the context of opportunities and challenges of new policy developments of importance since UNCTAD X

5. Other business

6. Adoption of the report

D. Other business - UNCTAD calendar of meetings

36. At its plenary meeting on 1 February 2002, the Trade and Development Boad approved the following adjustments to the UNCTAD calendar of meetings:

A second resumed thirty-eighth session of the Working Party on the Medium-term Plan and the Programme Budget would be held on 13 February 2002.

The fifth session of the commission on Enterprise, Business Facilitation and Development would be held from 18 to 21 February 2002;

The third meeting of the Mid-term Review process would be held from 25 to 28 March 2002.

E. Adoption of the report

37. At the closing plenary of the first meeting of the Mid-term Review process the Board adopted its draft report (TD/B(S-XIX)PREP/L.1), subject to amendments received from delegations to summaries of statements, and authorized the Rapporteur to complete the report in the light of the proceedings of the closing plenary.

Annex

ATTENDANCE *

1. The following States members of UNCTAD, members of the First Meeting of the Mid-term Review process, were represented at the meeting:

Algeria
Angola
Argentina
Austria
Bangladesh
Barbados
Belarus
Benin
Brazil
Bulgaria
Burundi
Canada
China
Colombia
Congo
Côte d'Ivoire
Cuba
Democratic People's Republic of Korea
Denmark
Dominican Republic
Ecuador
Egypt
El Salvador
Ethiopia
Finland
France
Germany
Ghana
Guatemala
Guinea
India
Iran (Islamic Republic of)
Ireland
Israel
Italy
Jamaica
Japan
Kenya
Latvia
Lesotho
Libyan Arab Jamahiriya
Luxembourg
Madagascar
Malaysia
Mexico
Morocco
Namibia
Nepal
Netherlands
Nigeria
Norway
Oman
Pakistan
Panama
Paraguay
Peru
Philippines
Portugal
Republic of Korea
Russian Federation
Senegal
Singapore
Slovakia
Spain
Sri Lanka
Sudan
Switzerland

* For the list of participants, see TD/B(S-XIX)/PREP/INF.1.

Syrian Arab Republic
Thailand
Trinidad and Tobago
Tunisia
Turkey
Uganda
Ukraine
United Arab Emirates
United Kingdom of Great Britain and Northern Ireland
United Republic of Tanzania
United States of America
Uruguay
Viet Nam
Yemen
Zambia
Zimbabwe

2. The following States members of UNCTAD, not members of the First Meeting of the Mid-term Review process, were represented as observers at the session:

Brunei Darussalam
Holy See
Mozambique
Swaziland

3. The following intergovernmental organizations were represented at the meeting:

African, Caribbean and Pacific Group of States
European Community
League of Arab States
Organization of the Islamic Conference
South Centre

4. The following specialized agencies and related organizations were represented at the meeting:

International Labour Organisation
International Monetary Fund
World Trade Organization

5. The United Nations Relief and Works Agency for Palestine Refugees in the Near East, the Office of the High Commissioner for Human Rights and the International Trade Centre were represented at the meeting.